

SCOMM

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Kodiak Environmental Network
P.O. Box 2661
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April 13, 1991

Senate Special Committee on
Exxon Valdez Litigation Settlement
Alaska State Legislature, Seventeenth Session
P.O. Box V
Juneau, AK 99811

Dear Senators,

I am grateful for the opportunity to comment on the out-of-court settlement that the Hickel Administration struck with Exxon, but it is difficult to evaluate it without any substantive information on the true value of the damages. I seriously feel that the people of the State are being sold down the river in exchange for future amicable relations with the oil industry. The Legislature never makes budgetary decisions operating in a vacuum. Why are we being expected to make a major financial decision without the information needed to evaluate it?

Is Mr. Hickel aware of the mammoth amount of energy, emotional, financial, and physical, that the Exxon Valdez spill drew from the Alaskan people? It appears that he and his cohorts would like to label us as radical fanatics, placate us with this settlement and get on with the business of oil development. Does Mr. Hickel carry a mandate of the Alaskan people? Clearly not. Please let intelligent, rational processes prevail in Juneau. Insist on obtaining the results of the injury and economic studies that the public paid for before requiring us to make uninformed decisions about this settlement.

Beyond the lack of substantial data, there is circumstantial evidence pointing to the inadequacy of the settlement. The TAPS Fund has \$56 billion claimed against it, but the State's claim to the fund is confidential and therefore not included in that figure. \$900 million looks awfully insignificant in that company.

Furthermore, why are we reducing the amount of the settlement by allowing reimbursements and cleanup costs to come off the top instead of being paid as a separate item? Add those items to inflation over ten years and this settlement's value is reduced by nearly half its face value! The \$2.2 billion that Exxon squandered on the cleanup is a joke. There is case after case in Kodiak alone to prove that they wasted money at every turn, clearly for propaganda reasons. Why are they so willing to throw money away in some cases and then not pay honest reparations for criminal negligence?

And if you accept this settlement or a better one in the future, where is the public input on how the money will be spent? The Memorandum of Agreement between the federal government and the State looks like a bureaucratic black hole. The money could easily get lost in more classified studies that are unavailable to the public, not to mention the millions each trustee will garner for operating costs. The Agreement needs to include a citizens' committee with a vote.

After dealing with some of those same Trustees during the 1989 oil spill cleanup period I feel that it is imperative that a citizens' council with voting power be added to the Trustees. The agreement with the federal government is not in the best interest of the people of Alaska.

I realize that because the federal government has signed off on this agreement, the pressure is on the Legislature to acquiesce. I do pray that the Alaska State Legislature has more fortitude and integrity than that.

Please reject this Settlement and Agreement and send the negotiators back to the table with public input tempered by an adequate evaluation of public data.

Thank you.

Sincerely,

A handwritten signature in dark ink, appearing to read "Gustaf Helander", with a long horizontal flourish extending to the right.



Afognak Joint Venture

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April 13, 1991

Senator Richard Eliason
Chairman
Senate Special Committee
on Exxon Valdez Settlement Claim
Alaska State Senate
Juneau, Alaska

Dear Senator Eliason:

We are Native corporations who are major landowners and land managers on Afognak Island in the Kodiak Archipelago. We have questions and concerns regarding the use of Exxon Settlement Funds.

We do not understand how decisions to use the Fund would be coordinated among the Fund administrators. It is our understanding that there is a time period within which the Fund's managing entities must develop a plan.

We are concerned that too much or all of the Fund could be used to pay costs of administration, costs of studies that will not result in benefits to the environment, costs of restoration where the amounts expended will not result in commensurate benefits, or the costs of development projects that are unrelated to habitat protection. We urge that the use of funds include acquisition of habitat resources, or studies that could lead to habitat acquisition for protection. We believe there are special opportunities to acquire habitat. This habitat could be identical to what was damaged by the oil spill. It could also be habitat that is associated or similar to that damaged by the spill and was in the geographic area affected by the spill. On this theme we wish to encourage that the acquisition, or study for acquisition, of lands on Afognak be undertaken.

We have ideas regarding how the acquisition or studies could be accomplished, and we would welcome discussing these with the Fund's decision makers.

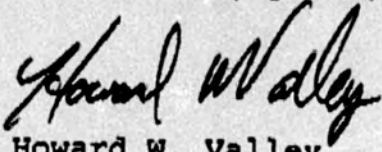
Senator Richard Eliason

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Thank you for this opportunity to comment.

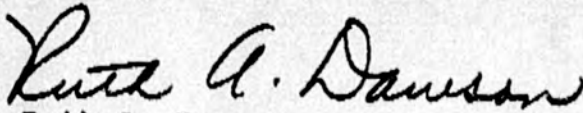
Respectfully yours,



Howard W. Valley
Chairman
Afognak Joint Venture



by direction for
Uwe L. Gross
Chief Executive Officer
Keniaq, Inc.



Ruth A. Dawson
President
Afognak Native Corporation

cc: Senator Fred Zharof